

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2005-289-C - ORDER NO. 2006-31
JANUARY 30, 2006

IN RE: Joint Application of Voicecom) ORDER
Telecommunications, LLC and Voicecom) APPROVING
Telecommunications, Inc. for Approval of) TRANSACTIONS
Acquisition of Assets and Assignment of)
Authorization)

This matter comes before the Public Service Commission of South Carolina (the Commission) on the Joint Application of Voicecom Telecommunications, LLC (VTL) and Voicecom Telecommunications, Inc. (VTI) (together, the Joint Applicants) for *nunc pro tunc* approval of the transfer of certain assets and for the assignment of an authorization to provide intrastate, long distance telecommunications services within the State of South Carolina. The Joint Application requests that the Commission approve VTL's acquisition of the assets and authorization of Premiere Communications, Incorporated (PCI).

The Commission's Docketing Department instructed the Joint Applicants to publish a Notice of Filing in newspapers of general circulation in the Joint Applicants' service area. The Joint Applicants furnished affidavits to show that they had complied with the instructions of the Docketing Department. No Protests or Petitions to Intervene were received.

Subsequently, the Joint Applicants filed a Request for Expedited Review, the verified testimony of Dan Mell, and a Stipulation between the Office of Regulatory Staff (ORS) and VTL. We grant expedited review, approve the Stipulation, and grant the Joint Application, based on the evidence presented in the record.

Dan Mell, Chief Financial Officer of VTL, presented verified written testimony. Mell testified that the Joint Applicants request that the Commission grant the *nunc pro tunc* transfer of VTI's authority to provide resold local and long distance telecommunications services to VTL, once held by Premiere Communications, Inc. According to Mell, VTL was organized for the purpose of providing telecommunications products and services to companies competing in the global communications marketplace, and has recently obtained authorization to provide intrastate telecommunications services within the State of South Carolina as per Commission Order No. 2005-519. VTI owns 100% of the membership interests of VTL. Premiere Communications, Incorporated (PCI) was previously a non-facilities based reseller of post-paid telephone calling card services. PCI held certification or authorization to provide intrastate, long distance services in South Carolina under Order No. 1992-610. This Company's authority was cancelled by Order No. 2003-344. (See also records of the Commission.)

Previously, the Commission initiated Docket No. 2002-302-C, in which the parties referenced herein sought the approval that the Joint Applicants now seek. However, that Docket was closed before an Order granting approval was issued. In the meantime, VTL filed an application with the Commission seeking authorization to

operate as a reseller of interexchange services in South Carolina. The Commission assigned that application Docket No. 2005-85-C. At the hearing on that Docket, VTL described its earlier initial efforts to obtain Commission approval for the transactions described herein, and represented to the Hearing Examiner that the Company would seek *nunc pro tunc* approval of these transactions in short order. The Joint Application followed.

Mell further described the transactions for which the Joint Applicants seek approval. On March 25, 2002, the Joint Applicants, along with several other entities affiliated with PCI, entered into a series of agreements in connection with the transactions described herein. Generally, VTL, PCI, and PCI's affiliates first entered into a Contribution Agreement, whereby PCI and its affiliates transferred certain information service-related assets and certain liabilities to VTL in return for which PCI and PCI's affiliates acquired membership interests of VTL. Immediately thereafter, the Joint Applicants and PCI's affiliates entered into a Membership Interests Purchase Agreement (Agreement) whereby VTI purchased from PCI and PCI's affiliates all of the membership interests of VTL during an initial closing.

Under the Agreement, the Joint Applicants and PCI's affiliates agreed to conduct a final closing, whereby PCI transferred and VTL acquired certain of PCI's telecommunications assets, including *inter alia*, customer rights, authorization codes, intellectual property rights, and authorizations to provide intrastate, long distance telecommunications services. The initial closing was completed on March 26, 2002.

Following consummation of the final closing, VTL acquired from PCI ownership of certain telecommunications assets, including the state regulatory authorizations and certificates to provide intrastate, long distance telecommunications services. After the final closing, VTL began providing long distance services to customers in South Carolina. PCI, on the other hand, ceased offering or providing intrastate, long distance telecommunications services in South Carolina. This Commission issued Order No. 2003-344 in Docket No. 92-145-C on May 23, 2003, canceling PCI's certificate and withdrawing its tariffs.

An additional request of the Joint Application is that the Commission approve VTL's adoption of VTI's tariff, and VTI's request to abandon service once its customers have been fully transferred to VTL, which was granted authority in Order No. 2005-519 to operate as a provider of resold long distance telecommunications services. VTI does not presently hold authority from this Commission.

According to Mell, the acquisition of assets and assignment of authorizations has not resulted in any loss or impairment of service to any customers. Customers have continued to receive their existing services at the same rates, terms, and conditions following the transaction, and any subsequent changes in rates, terms or conditions of service have been made consistent with this Commission's requirements. The only change was the customer's service provider. Thus, according to Mell, the transfer was transparent, and the service was seamless and uninterrupted. The Joint Applicants provided advance written notice to the affected customers at least thirty days prior to the transfer.

Mell testified that, pursuant to the Agreement, VTL is qualified to provide telecommunications services in South Carolina. As a wholly-owned subsidiary of VTI, VTL has the assurance of its parent company that it will be provided the financial resources necessary to operate its telecommunications resale business in a continuous manner. VTL thus has the access to the financing and capital necessary to conduct its telecommunications service operations to fulfill any obligations it may undertake with respect to the operation and maintenance of its telecommunications services.

According to Mell, the transfer has had no adverse impact on customers in South Carolina, and was transparent to the customers. VTL's customers have experienced no change in the rates, terms and conditions offered by VTL to South Carolina customers. VTL has continued to provide its services to the customers in the same manner as VTL has since it obtained certification from this Commission. Mell notes that the transfer has enhanced services provided to South Carolina customers.

The Joint Applicants also filed a Stipulation between ORS and VTL. The two parties stipulated and agreed that the VTL should be granted *nunc pro tunc* approval for the acquisition of certain assets and for the assignment of an authorization to provide intrastate, long distance telecommunications services within the State of South Carolina.

We have examined the evidence in this case, including the verified testimony and the Stipulation, and find that the relief sought by the Joint Applicants should be granted. Although it appears to this Commission that the relief sought should have been sought prior to the consummation of the described transactions, there appears to have been no adverse impact on South Carolina customers as a result of the transactions. Accordingly,

we approve all of the relief requested in the Joint Application, including, but not limited to, the *nunc pro tunc* approval of the asset transfer and assignment of authority. We believe that such approval enhances the services provided by VTL.

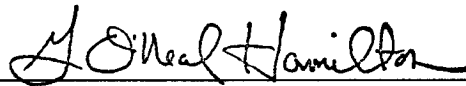
This Order shall remain in full force and effect until further Order of the Commission.

BY ORDER OF THE COMMISSION:



Randy Mitchell, Chairman

ATTEST:



G. O'Neal Hamilton, Vice-Chairman

(SEAL)